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Supreme Court of the United States

OCTOBER TERM, 1946

No. 527

LORRAINE COFFEE COMPANY, INC. and ERIC EBEN,

Petitioners,

—v.—

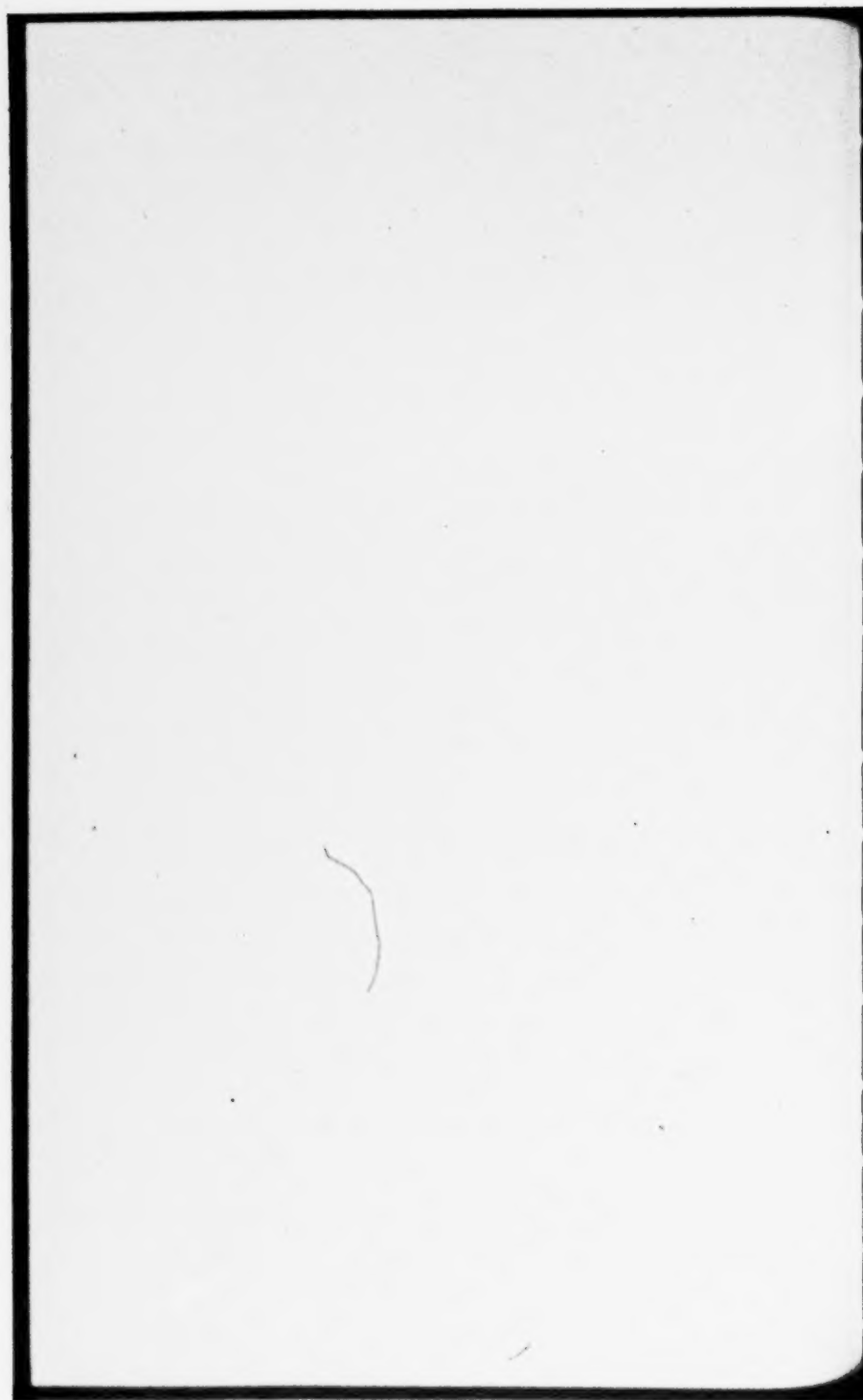
LaTOURAINÉ COFFEE Co., INC.,

Respondent.

**BRIEF OF RESPONDENT IN OPPOSITION
TO PETITION FOR WRIT OF CERTIORARI.**

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—v.—

LA TOURAINE COFFEE CO., INC.,
Respondent.

BRIEF OF RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

Opinions Below.

The opinions of the United States District Court for the Eastern District of New York and of the United States Circuit Court of Appeals for the Second Circuit have not yet been officially reported.

Basis for Jurisdiction.

Jurisdiction is invoked by petitioners under §240a of the Judicial Code, as amended, 28 U. S. C. A. §347.

Questions Presented.

Was there infringement of plaintiff's (respondent's) registered trade-mark, "LaTouraine", advertised and used by plaintiff and its predecessor for more than twenty years in the sale of coffee, tea and cocoa products in Staten Island, New York, and in New Jersey, or was there unfair

competition with plaintiff, where defendant (petitioner) Eben, after selling coffee, tea and cocoa products in Staten Island, New York, and in New Jersey for three years as a salesman for a competitor of plaintiff went, in 1944, into the business of selling the same products in the same territory for his own account under the name "Lorraine".

Statement of the Case.

This action was brought by respondent in the United States District Court for the Eastern District of New York to enjoin infringement of respondent's registered trade-mark "LaTouraine" and to enjoin unfair competition. Damages and an accounting of profits were waived. From a judgment of the District Court holding the trade-mark valid but not infringed and finding no unfair competition, plaintiff appealed to the United States Circuit Court of Appeals for the Second Circuit, which reversed and directed injunctive relief restraining petitioners from using the name "Lorraine" in connection with the sale of their products (148*).

Plaintiff is the owner of the registered trade-mark "LaTouraine" applied to coffee, tea and chocolate powder (123). Plaintiff and its predecessor have used the trade-mark "LaTouraine" in connection with the sale of coffee, tea and cocoa products continuously since 1906 as to coffee, 1918 as to tea and 1937 as to chocolate powder (111, 114).

Plaintiff and its predecessor have spent substantial amounts of money in advertising the trade-mark. The total spent in advertising the trade-mark for the years from 1932 to 1945 was \$561,590 (34). The trade-mark has been advertised in newspapers and magazines and on billboards and car cards (14). Plaintiff has spent substantial amounts also in advertising the trade-mark over the radio (14, 15).

*This and similar references are to pages of the printed record.

Plaintiff markets its products in cartons, vacuum tins and paper bags, on all of which the trade-mark "La-Touraine" is prominently displayed (13, 124, 125). As a result, the trade-mark "LaTouraine" as applied to coffee, tea and chocolate powder has become identified in the public mind with plaintiff's products.

Plaintiff maintains plants in New York, Boston, Philadelphia, Syracuse, Chicago and Cleveland. During 1945, plaintiff distributed from these plants more than fifteen million pounds of coffee, as well as tea and chocolate powder (13).

Plaintiff's products are sold in substantial quantities in the metropolitan New York area in which defendants market their products. In this area alone in 1945, plaintiff sold two million four hundred thousand pounds of coffee (42).

Plaintiff's products are sold at retail in grocery stores as well as to hotels, railroads and restaurants. The bulk of plaintiff's restaurant business is done with small restaurants (12, 13, 35). Defendants sell their products wherever they can get customers (54). So far, defendants have developed their trade chiefly with small restaurants; implicit, however, in their announced intention to sell their products wherever they can get business is the threat to compete with plaintiff for the business of all classes of plaintiff's customers (54, 62, 68).

Eric Eben, the individual defendant, came to the United States, in 1941 (60, 71). In the same year, he was employed as a salesman by the Great Star Coffee Corporation located in New York, and assigned to the territory of Staten Island, New York, and New Jersey (72, 89). The Great Star Coffee Corporation sold coffee, tea and chocolate powder in direct competition with plaintiff (60, 73, 90-93). Eben was given a list of prospective customers in Staten Island and New Jersey and canvassed them for business,

at first under the supervision of one Deutsch and later on his own (73, 89-92, 105).

When Eben began to canvass customers in Staten Island and New Jersey, Deutsch discussed with him the various brands of coffee with which Great Star coffee competed (90-93). In discussing these brands, Deutsch told Eben that "LaTouraine", plaintiff's brand, was Great Star's "toughest competitor" (91).

During the course of Eben's employment with Great Star after he had met selling resistance in competing with plaintiff's "LaTouraine" coffee, Eben brought to Deutsch a package of "LaTouraine" coffee and asked whether Great Star could make up a blend of coffee to compete with plaintiff's (91, 92). Great Star then made up a special blend of coffee to match the blend of "LaTouraine" and assigned Eben to sell it in competition with "LaTouraine" (92, 93).

Eben continued to sell coffee, tea and chocolate powder in Staten Island and New Jersey for Great Star from February, 1941 to the middle of 1944 (88, 93). During this period of more than three years, he was constantly engaged in canvassing prospective customers in Staten Island and New Jersey and soliciting orders for coffee, tea and chocolate powder (60).

In August, 1944, Eben left Great Star and started in business on his own account. Confronted with the necessity of choosing a brand name, Eben chose the name "Lorraine" as the name under which he would market coffee, tea and chocolate powder. Eben testified at the trial that when he chose the name "Lorraine" in 1944, he could not recall ever having heard the name "LaTouraine" applied to coffee, tea and chocolate powder, although he had been employed for the previous three years in selling Great Star coffee, tea and chocolate powder in direct competition with plaintiff's "LaTouraine" coffee, tea and chocolate powder (81).

Taking Deutsch's testimony and the inherent probabilities together, supporting one another as they do, we may assume that in August, 1944, when Eben decided to go into business for himself, he was thoroughly familiar with "LaTouraine" coffee and the "LaTouraine" trade-mark and that he sought a name which would closely resemble "LaTouraine" in order to appropriate to himself "LaTouraine" customers and goodwill.

In seeking a similar name, it was natural for Eben to hit upon a name, which, like "LaTouraine", had a suggestion of France, to wit, "Lorraine". In that name, he had a word which began and ended like "LaTouraine" and which had a similar appearance and a similar sound. He picked "LaTouraine" as the name to imitate because it was one of the best brands and the "toughest competitor" in the market in which he proposed to operate, namely, Staten Island and New Jersey (91, 92).

Eben's testimony that he chose the name "Lorraine" because a friend's wife had "just" had a baby named Lorraine (the baby was born more than two years before and was named Eve Lorraine), and because of some earlier connection with Alsace-Lorraine, may have had in it this grain of truth: when Eben considered the choice of a name that would closely resemble "LaTouraine", it would have been natural for him to run over in his own mind various possible names in a search for a name that would not be wholly fictitious and at the same time would, if challenged, leave the door open for superficially plausible explanations (61, 122; Ex. 28). They were the excuses, not the reasons, for Eben's choice of name.

Eben first did business under the name Lorraine Coffee Company (59). Thereafter, he organized defendant, Lorraine Coffee Company, Inc., under the laws of New York (53). Eben then proceeded to sell coffee, tea and chocolate powder under the name "Lorraine" in competition with

plaintiff, using packages prominently displaying the name "Lorraine" (54, 57, 58, 129). Eben did no advertising (58).

Notice of claim of infringement was given on behalf of plaintiff to defendants on May 3, 1945. Request was made in the notice that defendants desist from further use of the name "Lorraine" in connection with the sale of coffee, tea and chocolate powder (58). When this demand was not complied with, plaintiff commenced this action.

At the trial, plaintiff waived any claim to damages or to an accounting of profits and asked merely that defendants be required to market their competing products under some name other than the name "Lorraine."

The Trial Court found that plaintiff's trade-mark was valid but that there was no infringement or unfair competition (110). As the Circuit Court pointed out in its opinion, the Trial Court was obviously deeply impressed by the fact that plaintiff is a large corporation and defendant corporation a small one (135). Thus, the Trial Court in its opinion referred to plaintiff as "a large corporation" which "advertises its products extensively", "deals with wholesalers or large companies" and has an "extensive business"; and characterized defendant corporation as a "little company" whose "sales are small" and which "in no material way appears to be in competition with this long established and large corporation of plaintiff's" (110, 111). In a contest between a large corporation and a small one, the Trial Court's sympathy obviously and, perhaps not unnaturally, went to the latter.

Sympathy ripened into advocacy when the Trial Court, for some strange reason, disregarding the fact that all plaintiff asked was that defendants' new business choose a different name, erroneously assumed that plaintiff sought to put defendants out of business and that a decision in plaintiff's favor would bring about that result. "Just

why the plaintiff in this state of affairs now seeks to put the defendant out of business is not made clear", the Trial Court asked, forgetting that if plaintiff should fail to act now "in this state of affairs" to protect its trade-mark when "defendants' sales are small", plaintiff would be charged with acquiescence and laches and surely denied relief if it acted later when defendants' sales were large and their business built up to substantial proportions (111). The Trial Court declined to answer plaintiff's arguments, but dismissed them with the remark that "such arguments are insufficient on which this Court should now base such a drastic remedy as a permanent injunction, preventing this defendant from doing business" (113).

Approaching a consideration of the case with this protective attitude toward a small company, the Trial Court completely ignored the fact that before Eben adopted the name "Lorraine", Eben had sold coffee, tea and chocolate powder in Staten Island and New Jersey continuously for Great Star from 1941 to 1944 in direct competition with plaintiff's tea, coffee and chocolate powder and that the witness Deutsch of Great Star testified that he had told Eben that "LaTouraine" coffee was Great Star's "toughest competitor" and that Eben had asked Great Star to make a blend of coffee to compete with "LaTouraine" coffee (88, 91-93). The Trial Court accepted Eben's claim that not until 1945 did he ever learn of plaintiff, and then only because plaintiff wrote him that he was infringing (112). The Trial Court itself apparently gagged somewhat in swallowing this claim of Eben's in the face of the evidence, since the Trial Court in its opinion did not state that it believed the claim or that the claim was in fact true, but merely that Eben "*swears*" that he did not learn of plaintiff until 1945 (112).

At the trial, plaintiff offered in evidence its certificate of incorporation and the registration of its trade-mark,

in both of which "LaTouraine" is written as a single word (123, 127). Hiltz, plaintiff's Comptroller, testified that plaintiff always regarded the name as one word (40). Counsel for plaintiff also pointed out to the Trial Court that, while "Touraine" was the name of a former province of France (now the Department of Indre-et-Loire), "LaTouraine" is an arbitrary name, which does not appear in any encyclopedia or dictionary. Circuit Judge Frank confirms this in his dissenting opinion where he states that the World Book Encyclopedia which he consulted, after giving the present official names of the departments of France, shows on a smaller map captioned "Former Provinces" the name "Touraine" (not "La-Touraine") (138).

Whatever importance the Trial Court attached to its conclusion that "LaTouraine" is two words when written, of course, would not apply when the name is spoken, since there would ordinarily be no pause in the middle of the word in pronouncing it over the radio and otherwise. The Trial Court, therefore, by claiming that the name "La-Touraine" consisted of two words, did not answer plaintiff's argument that "LaTouraine" and "Lorraine" are so similar in sound as to be likely to cause confusion. In fact, the Trial Court in its opinion does not deny that "LaTouraine" and "Lorraine" are similar in sound. The Trial Court says that "plaintiff's monopoly" will not be extended "because of this", in as much as, according to the Trial Court, "there is no proof that defendant deliberately chose for that purpose the name 'Lorraine'" (112, 113).

The inherent probability, arising from the fact that Eben sold coffee for three years in competition with "La-Touraine" coffee before choosing the name "Lorraine", plus Deutsch's testimony that Eben tried to get Great Star to imitate "LaTouraine" while Eben was working for Great Star (all of which evidence the Trial Court ignored in its opinion), is ample proof that Eben did deliberately

choose the name "Lorraine" because it sounds like plaintiff's name. And in any event since the Circuit Court, including Judge Frank, found that there is a likelihood of confusion, intent is immaterial.

The Circuit Court of Appeals agreed with the Trial Court, that plaintiff's trade-mark, which has been registered fifteen times, is a valid trade-mark; but differed with the Trial Court by finding that there would be likelihood of confusion between plaintiff's and defendants' names (133).

Circuit Judge Frank agreed with the majority of the Circuit Court of Appeals that "there would be enough likelihood of confusion to prove infringement" in the case of ordinary retail buyers, but that, because of psychological differences, there would not be enough likelihood of confusion in the case of small restaurant buyers (145).

The dissenting opinion, disagreeing with the Trial Court and the Circuit Court, contended that plaintiff's trade-mark was not valid and that, therefore, plaintiff was not entitled to monopolize the name "LaTouraine" as applied to coffee, tea and chocolate powder (147). There has been no suggestion from any source that plaintiff has a monopoly of the coffee business or that defendants cannot compete freely with plaintiff under other than a confusing name.

Reasons Relied on by Petitioners.

The reasons relied on by petitioners are:—(1) the Circuit Court has "disavowed" the Trial Court's finding of fact that petitioners acted in good faith and thereby disregarded Federal Rule of Civil Procedure 52(a); (2) the Circuit Court based its decision upon the provisions of the new Trade-Mark Act of July 5, 1946, effective in July, 1947; and (3) the Circuit Court's decision is in conflict with holdings of this Court. These reasons are discussed below under Points III, IV and V.

POINT I.

The Circuit Court correctly held that the names "LaTouraine" and "Lorraine" are so similar as to be likely to cause confusion.

The maxim that no case has a brother applies with special force to trade-mark cases. However, an examination of the points of resemblance between the two names "LaTouraine" and "Lorraine", followed by a consideration of some of the cases in which infringement and unfair competition have been found to exist, will, we believe, show that the present case falls well within the principles laid down in those cases and that the Circuit Court (including dissenting Judge Frank, so far as certain classes of customers are concerned), was right in holding that the two names are so similar in appearance and sound as to be likely to cause confusion (133, 145).

The Court will observe the following points of resemblance between "LaTouraine" and "Lorraine": (1) both names begin with the same letter "L"; (2) the first syllables of both names are pronounced almost identically; (3) the last syllable in both names is the same, viz., "raine"; and (4) both names suggest a connection with France.

With these points of resemblance in mind, let us consider some of the types of cases in which the Courts have found infringement and unfair competition.

Where the two names under consideration begin and end the same, infringement has uniformly been found. Thus, *Radames* has been held to infringe *Rameses*, *Stephano Bros., Inc. v. Stamatopoulos*, 2 Cir., 238 F. 89; *Dr. J. H. McLean's Universal Pills* to infringe *Dr. McLean's Liver Pills*, *McLean v. Fleming*, 96 U. S. 245, 24 L. ed. 828.

Infringement has also been found in numerous cases where the names under consideration begin alike but end differently, or vice versa: as Spun-Lo and Sunglow, *Industrial Rayon Corporation v. Dutchess Underwear Corporation*, 2 Cir., 92 F. 2d 33, cert. denied, 303 U. S. 640, 82 L. ed. 1100; Keepelean and Sta-Kleen, *Florence Mfg. Co. v. J. C. Dowd & Co.*, 2 Cir., 178 F. 73; Ramopa and Maropa, *Ramopa Co. v. A. Gastun & Co.*, L. Hand, J., S. D. N. Y., 278 F. 557; Listerine and Listogen, *Lambert Pharmacal Co. v. Bolton Chemical Corporation*, L. Hand, J., S. D. N. Y., 219 F. 325; Eight O'Clock Coffee and 8 Bells Coffee, *Brooks v. Great Atlantic & Pacific Tea Co.*, 9 Cir., 92 F. 2d 794; and Kotex and Kotabs, *Kotabs, Inc. v. Kotex Co.*, 3 Cir., 50 F. 2d 810, cert. denied, 284 U. S. 665, 76 L. ed. 563. Tangee and Zande, *George W. Luft Company, Inc. v. Zande Cosmetic Company, Inc.*, 2 Cir., 142 F. 2d 536, cert. denied, 323 U. S. 756, 89 L. ed. 59, may also be included in this class.

Even where the number of words or the number of syllables composing the two names differs infringement has been found: as Coca-Cola by Koke, *Coca-Cola Company v. Koke Company of America*, 254 U. S. 143, 65 L. ed. 189; Oxydol by Oxol, *Procter & Gamble Co. v. J. C. Prescott Co.*, 3 Cir., 102 F. 2d 773, cert. denied, 308 U. S. 557, 84 L. ed. 468; Cutex by Cuticlean, *Northam Warren Corporation v. Universal Cosmetic Co.*, 7 Cir., 18 F. 2d 774; Uneeda by Eta, *National Biscuit Co. v. J. B. Carr Biscuit Co.*, C. C. P. A., 3 F. 2d 87; American by North American, *American Thread Co. v. North American Thread Co., Inc.*, Woolsey, J., S. D. N. Y., 33 F. Supp. 616; and Moxie by Noxie Kola, *Moxie Co. v. Noxie Kola Co. of New York*, Leibell, J., S. D. N. Y., 29 F. Supp. 167.

The Courts have also found infringement even where the two names under consideration do not look alike or sound alike but have a common connotation: as Peaks

by Alps, *Mason Au & Magenheimer Confectionery Mfg. Co. v. Chumas, Chatfield, J.*, E. D. N. Y., 275 F. 357; and Paris by French, *A. Stein & Co. v. Liberty Garter Mfg. Co., Lacombe, J.*, S. D. N. Y., 198 F. 959.

In an effort to make as convincing a show of differences as possible defendants have arranged in parallel columns what they call "many strikingly dissimilar features" between plaintiff's trade-mark and the word "Lorraine" (Brief, p. 17). Upon analysis, these "many strikingly dissimilar features" boil down to a difference of two letters and one syllable.

A "strikingly dissimilar feature" claimed by defendants is that "LaTouraine" is two separate words while "Lorraine" is one word. Plaintiff's trade-mark as a matter of fact is one word, not two (123). "LaTouraine" appears as one word both in plaintiff's charter and in its trade-mark registration (123, 127). In any case, to the ear in the pronunciation of the words, both names would sound as one word.

Another "strikingly dissimilar feature" claimed by defendants is a difference of one capital letter, although at the listed on page 17 of defendants' brief, all the letters in both words appear as capitals.

The many "strikingly dissimilar features", therefore, resolve themselves into a matter of ten letters as against eight and three syllables as against two.

Thus, the differences between the two names are trivial, while the points of resemblance are substantial: both names begin with the letter L; both names end with the syllable "raine"; both suggest France. This similarity is underlined by the fact that both names are used for the same products in selling to the same class of customers in the same territory.

This process of dissection to find differences evoked the following comment by the Circuit Court:

“Defendants have attempted to distinguish ‘Lorraine’ from ‘LaTouraine’ on the basis of the number of letters and syllables in the words, but this form of technical gymnastics is not determinative. See *Celanese Corp. of America v. E. I. DuPont De Nemours & Co.*, C. C. P. A., 154 F. 2d 143. The initial letters and the last syllables—probably the parts of any word which-impress themselves most firmly upon the memory—are identical. The similarity is, of course, most striking in oral speech; a call for one in a store is likely to produce the other. Except on the tongues of precisionists, both sound alike; both are unmistakably French” (133).

The cases lay down certain well known general principles applicable to the present case. One of these principles has been expressed as follows:

“It is so easy for the honest business man, who wishes to sell his goods upon their merits, to select from the entire material universe, which is before him, symbols, marks and coverings which by no possibility can cause confusion between his goods and those of competitors, that the courts look with suspicion upon one who, in dressing his goods for the market, approaches so near to his successful rival that the public may fail to distinguish between them.”

Florence Mfg. Co. v. J. C. Dowd & Co., *supra*,
2 Cir., 178 F. 73, 75.

The same general principle has also been expressed thus:

“One entering a field of endeavor already occupied by another should, in the selection of a trade-name or trade-mark, keep far enough away to avoid all possible confusion.”

Northam Warren Corporation v. Universal Cosmetic Co., supra, 7 Cir., 18 F. 2d 774, 775.

Another general principle is that:

“‘The trend of modern judicial decisions in trade-mark matters is to show little patience with the newcomer who in adopting a mark gets into the border-line zone between an open field and one legally appropriated to another. As between a newcomer and one who by honest dealing has won favor with the public, doubts are always resolved against the former.’ *Skelly Oil Co. v. Powerine Co.*, 86 F. 2d 752, 754; 24 C. C. P. A., Patents, 790.”

Skol Co. Inc. v. Olson, C. C. P. A., 151 F. 2d 200, 204.

Still another general principle is that:

“The test of identity is not whether, when goods are placed side by side, a difference can be recognized in the labels or marks; but the test is, when such goods are not placed side by side would an ordinarily prudent purchaser be liable to purchase the one, believing that he was purchasing the other.”

Brooks v. Great Atlantic & Pacific Tea Co., supra, 9 Cir., 92 F. 2d 794, 797.

See, also,

Martini & Rossi, Societa Anonima v. Consumers'-People's Products Company, Inc., et al, 57 F. 2d 599, affirmed 2 Cir., 57 F. 2d 600.

And the increasing use of radio for advertising makes pertinent the comment of the Court in *Marion Lambert, Inc. v. O'Connor, C. C. P. A.*, 86 F. 2d 980, 981, where the Court said:

“Similarity in the sound of the names under which goods are sold is becoming a more important consideration in the decision of cases of this kind as the effective advertisement of goods becomes increasingly dependent upon radio facilities.”

In the light of the foregoing cases and the general principles laid down in them, the Circuit Court was constrained to find confusing similarity between the two names (133). Even Judge Frank, who dissented, conceded that there was likely to be confusion among retail buyers, although because of psychological differences he did not think so in the case of small restaurant owners (145).

Defendants, however, take the extreme position that names must be identical to infringe, and in support of this position defendants say:

“Even the Trademark Act of 1905 is careful to limit the restriction on registration of words ‘identical’ with one already registered (Sec. 5-b). And the use of that word ‘identical’ in the Act is significant; the Act could have as readily used the word ‘similar’ ” (Brief, p. 10).

As this Court of course knows, the Trade-Mark Act of 1905 provides in the very same sentence to which defendants refer that trade-marks “which so nearly resemble a registered or known trade-mark owned and in use by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to receive purchasers shall not be registered” 15 U. S. C. A. §85 (b).

Why defendants should argue to this Court that trade-marks must be identical in order to conflict when the Act clearly states that they will conflict also where similar, is difficult to understand.

POINT II.

The Circuit Court, confirming the Patent Office and the Trial Court, properly found that "LaTouraine" is an arbitrary name and a valid trade-mark.

The trade-mark "LaTouraine" as applied to coffee, tea and chocolate powder has been registered in the Patent Office not once, but fifteen times; and registration of the mark has been renewed (120, 123; Exs. 1-4). Where the Patent Office finds that a name for which registration is sought is not, as a matter of fact, used in an arbitrary sense, but is "merely geographical," denoting place of origin or manufacture, it refuses registration. Judge Frank cites many instances where the Court of Customs and Patent Appeals has upheld the Patent Office in so doing (139). During the very period when the Patent Office was denying registration of trade-marks on the ground that they were not arbitrary but merely geographical, it granted registration and renewed registration of plaintiff's trade-mark (120). The Patent Office, therefore, obviously found that plaintiff's trade-mark, in point of fact, is an arbitrary name and is not "merely geographical."

The Trial Court, to whose attention the matter was drawn, did not find the trade-mark merely geographical. After citing cases that hold that a "merely geographical" name is not a valid trade-mark, the Trial Court accepted plaintiff's trade-mark as valid thereby indicating that it did not consider the name to come within the prohibition of the Trade-Mark Act (110).

The Trial Court did not find, and defendants did not request the Trial Court to find, that plaintiff's name was in fact merely geographical and therefore invalid (113).

The Circuit Court, like the Patent Office and the Trial Court, found as a fact that plaintiff's trade-mark is not merely geographical. The Circuit Court said, "The registered term neither has nor professes to have any relation to the source of its coffee, the place of manufacture, or the place of sale. It is an entirely arbitrary name" (132).

The Patent Office, the Trial Court and the Circuit Court had solid grounds to support their conclusion that plaintiff's trade-mark "LaTouraine" as applied to coffee, tea and chocolate powder is not, in point of fact, a merely geographical name.

"LaTouraine" is not, strictly speaking, a geographical name at all. Written as one word, as it is in plaintiff's charter and trade-mark registration, or even as two words, as defendants claim that it should be, "LaTouraine" is not now, and never has been, used as the name of any place. No atlas or encyclopedia or dictionary records it, so far as we have been able to find.

The most that can be said is that "Touraine" (not "LaTouraine") was once used to designate a district in France now the Department of Indre-et-Loire.

Encyclopedia Americana, 1942 Edn., Vol. 26, page 719.

Judge Frank confirms this on the authority of the World Book Encyclopedia where the name "Touraine" (not "LaTouraine") is given as the name of a former province of France. Judge Frank gives further confirmation by stating that in questioning a 'dozen American men and women about the matter he asked what "Touraine" (not "LaTouraine") means (138).

To this, defendants add the weight of their admission. According to defendants, the geographical name is "Touraine", not "LaTouraine" and they give the *Encyclopedia Americana* as their authority on this point (Brief, p. 12).

Finding as it did, that "LaTouraine" as used by plaintiff is an arbitrary name and not a "merely geographical" name, the Circuit Court held that the name is a proper subject for trade-mark registration saying "The courts have consistently held, however, that, when the name is used in an 'arbitrary' or fictitious sense, it may be the subject of a valid trade-mark" (131).

POINT III.

The Circuit Court did not base its decision upon the provisions of the New Trade-mark Act of July 5, 1946, as petitioners contend.

On the issue of validity, the Circuit Court based its decision on its finding that "LaTouraine" as used by plaintiff is an arbitrary name, and that the Courts have consistently held that an arbitrary name is a proper subject for trade-mark registration (132).

On the issues of infringement and unfair competition, the Circuit Court stated that "The only question" "is whether or not the similarity of names is such as to make likely the deception of any appreciable number of ordinary prudent customers" (132). The Court found that there was likelihood of such confusion (133).

The Circuit Court, therefore, did not rest its decision on the new Trade-Mark Act; it merely mentioned, in passing, that the new act gives statutory expression to well-settled judicial construction (131, 132).

POINT IV.

The Circuit Court did not disregard Federal Rule of Civil Procedure 52(a), as petitioners contend.

A cursory reading of the Circuit Court's opinion will show that the Court did not set aside finding of fact Ninth, as petitioners contend. This finding was to the effect that defendant Eben, who admittedly had been selling coffee, tea and chocolate powder in the same territory and to the same class of customers as plaintiff for three years before choosing the name "Lorraine," adopted the name "Lorraine" for coffee and tea in good faith without having heard of plaintiff or its name "LaTouraine" in connection with coffee, tea or chocolate powder (115). In discussing this finding and others of like import, the Circuit Court said:

"On this issue (of Eben's good faith) the court below has found against it (i.e., plaintiff). Were this a controlling issue here, we should find some embarrassment in accepting these findings notwithstanding that under F. R. C. P. 52(a) they must stand unless clearly erroneous, for they do seem to call for a belief in Eben's naiveté which is hard to achieve" (133).

But the Circuit Court went on to say that the question of Eben's good or bad faith was not of controlling importance since the Court rested its decision on other grounds (133). Thus, the Circuit Court did not set aside the finding of fact even though it might well have done so under the rule on the ground that the finding was clearly erroneous.

POINT V.

The Circuit Court's decision is not in conflict with decisions of this Court.

The decisions of this Court, as pointed out by the Circuit Court, have consistently held that when a name is used in an arbitrary or fictitious sense, it may be the subject of a valid trade-mark (131).

The Circuit Court, therefore, having found that plaintiff's trade-mark is an arbitrary name (132), merely followed the decisions of this Court in holding the mark valid.

Moreover, the decisions of this Court (including those cited by defendants as conflicting) hold that injunctive relief will be granted where there is unfair competition as in this case.

Finally, the Circuit Court's decision is entirely consistent with the recent case of *Mishawaka Rubber & Woolen Mfg. Co. v. S. S. Kresge Co.*, 316 U. S. 203, 86 L. ed. 1381, where, as the Circuit Court states: "all the courts and judges * * * were agreed as to the need of at least injunctive relief to avoid confusion" (135).

CONCLUSION.

The decision of the Circuit Court merely requires defendants to stop using a name recently selected, never advertised, to which no good will attaches, which all judges of the Circuit Court agree is likely to cause confusion with the trade-name of plaintiff which has been in use for forty years, is well advertised, and to which there attaches substantial good will created by plaintiff at considerable expense.

Plaintiff asks for no damages nor for an accounting of profits. Plaintiff does not seek to drive defendants out of business, but merely to end a confusion of names which prevents defendants, as well as plaintiff, from selling their goods on their own merits. It will be, at most, inconvenient for defendants to choose another name; it would be extremely costly for plaintiff to do so. As the Circuit Court said in concluding its opinion:

"And there is no question of destroying a business; here defendant had chosen a name, on his own story as a flight of fancy without connection with himself, his family, or the coffee trade, and had used it at the utmost for some six months when he was warned of the consequences. We think under the circumstances that imagination can soon suggest a worthy substitute" (135, 136).

Respectfully submitted,

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